THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI MALLIKARJUN): (a) Yes, Sir.

(b) to (f) The saloon was renovated at a cost of Rs. 58 thousands. This is a wooden bodied saloon with steel under frame built by Liluah Workshops in 1921 by the then East Indian Railway for use of Chief Operating Superintendent. In view of the historic background that Shri Rabindra Nath Tagore travelled in this coach in 1941 during his last rail journey, the coach has not been condemned. The coach had become uneconomical to be maintained and has been in dis-use for more than a decade.

The saloon has been renovated on the request from Vishwa Bharti to keep it as an exhibit at Bolpur station.

National Mineral development Corporation

786. SHRIMATI SATYA BAHIN: Will the Minister of STEEL be pleased to refer to the answer to Unstarred Question 843 given in the Rajya Sabha on the 26th July, 1991 and state:

(a) whether N.M.D.C. Hyderabad, have not been placing orders of plant spares Proprietory item of Kobe Steel Limited, Japan (KSL), conveyor belts and Tyres directly with manufacturers KSL, Bridgestone Tyre Co., Yokohama Rubber Co. and have been placing them on an intermediary Nissho Iwai Corporation (NIC), who are not the manufacturers and who are further engaging a sub-agent M/s. Meridien Engineering Enterprises, Hyderabad, to secure orders from N.M.D.C.; and

(b) if so, what are the reasons thereof, whether it is a fact that huge amount of Commissions have been paid by Nissho Iwai Corporation, Japan on almost all Orders secured from N.M.D.C. during the last three years to M/s. Meridien Engineering Enterprises, Hyderabad; if so, the details thereof?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) Yes, Sir.

(b) M/s. Kobe Steel Ltd., M/s. Bridgestone Tyre Co. and M|s. Yokohama Rubber Co. have been sending their quotations to National Mineral Development Corporation Ltd. (NMDC) through their trading/authorised agent M/s. Nissho Iwai Corporation, even when tender enquiries were sent to them directly by NMDC. When specifically requested by NMDC to accept order directly, M/s. Kobo Steel Limited advised NMDC to route their order through M/s. Nissho Iwai Corporation.

NMDC is not aware of any subagent employed by M/s. Nissho Iwai Corporation by name M/s. Meridien Engineering Enterprises, Hyderabad.

Steel Cord Converyor Belt

787. SHRIMATI SATYA BAHIN: Will the Minister of STEEL be pleased to refer to answer to Unstarred Question 842 given in the Rajya Sabha on the 26th July, 1991 and state:

(a) what were the nature of defects noticed in the conveyor belt supplied by Nissho Iwai Corporation/Yokohama Rubber Co., Japan, and how much money and time was lost to rectify the defects;

(b) whether any performance Guarantee was submitted by Nissho Iwai Corporation|Yokohama Rubber Co. to NMDC in respect of this Order; if so, the details thereof;

(c) whether it is a fact that NMDC communicated with Nissho Iwai Corporation at the time the defect was noticed and insisted on the replacement of the Belt, if so, the reasons for which the defected Belt was not got replaced by NMDC from the Supplier;

(d) at what price the Order of the above mentioned belt was placed on Nissho Iwai Corporation and what were the prices quoted by M/s. Clouth, West Germany and Pirelli, Italy; and

(e) whether it is a fact that Nissho Iwai Corporation paid Commission to M/s. Meridien the Enginering Enterprises, Hyderabad to secure this order from NMDC, if so, the details thereof?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) According to information furnished by NMDC, defects noticed in the conveyor belt supplied by Nissho Iwai Corporation/ Yokohama Rubber Co. were as follows:—

—Peeling off of belt cover rubber in small patches on non-carrying side, in the centre of the belt.

An engineer from Japan carried out inspection and the firm reported that there was no manufacturing defect in the belt and that the cause of damages was due to other external factors. However, repairs were effected with no loss of time or money to NMDC.

(b) Belt was guaranteed for performance in terms of years and tonnage of iron ore to be handled as per details given below:

Centre to Centre distance of belt installed	Tonnage Guaranteed	Year
1. 100—500 MTRs	40 Million	Two
2. 500—1000 MTRs	48 Million	Four
3. 1000—2000 MTRs	60 Million	Five
4. 2000—3000 MTRs	60 Million	Five

(c) Yes, Sir. Since the damage caused was not attributable to manufacturing defects and on a guarantee given by the representative of the supplier that the belt would perform for its full life after effecting repairs, NMDC did not insist on replacement of the belt.

(d) (i) Order was placed on Nissho Iwai Corporation for different sizes of belt at F.O.B. JAPANESE YEN, Rate per metre is as under:

Description	Quantity	Rate per metre in Japanese Yen
(1) Steelcord Belt 1050MM—ST 1200	1200 Metres	18,940
(2) Steelcord Belt 1050MM—ST 1900	1100 Metres	22,250
(3) Steelcord Belt 1200 MM—ST 4500	150 Metres	47,580

(ii) Only three firms gave their offer. The comparative landed cost of prices quoted by Nissho Iwai and other firms are as under :

(in Rupees)

Belt Size	Landed Cost per Metre		
	Nissho Iwai	Clouth	Phoenix
ST 1200—1500 MM	4128·50	5041·40	5404·63
ST 1900—1050 MM	4849·99	5753·89	6309·18
ST 4500—1200 MM	10371·39	10503·68	11088·66

(e) NMDC is not aware whether M/s. Nissho Iwai Corporation had paid commission to M/s. Meridien Engineering Enterprises, Hyderabad, to secure the order from NMDC.

Effect on DAMS due to delay of rains

788. SHRI SANTOSH BAGRODIA: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that Dams are unaffected by delayed rains in the country;

(b) if so, the details thereof; and

(c) if not, what is the extent of affect on different Dams and how it would affect the irrigation systems in the country?

THE MINISTER OF WATER RESOURCES (SHRI VIDYACHARAN SHUKLA): (a) to (c) The Central Water Commission monitors the position of storage capacity in respect of 56 dams all over the country. The details of the storage capacity of these reservoirs are given in Annexure-I. [*See* Appendix CLX, Annexure No. 33] The storage position at the end of August, 1991 is below average in respect of only 8 dams. The extent of deficiency in respect of these 8 dams is given in Annexure-II. [*See* Appendix CLX, Annexure No. 33] It is difficult at this juncture to forecast the effect of this deficiency on irrigation systems as the monsoon season is not yet over.

Sale of Visakhapatnam Steel Plant

789. SHRI RAJNI RANJAN SAHU: Will the Minister of STEEL be pleased to state:

(a) what is the total/gross investment in Visakhapatnam Steel Plant with breakup of Government institution involvement i.e. original capital outlay, revised outlay, loans of Government of India, loan from Financial Institution etc.; and

(b) whether Government propose to sell out this plant to make it viable; if not, by when this plant is going to be on break-even point?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) The source of funding for construction of Visakhapatnam Steel Plant as on August, 1991 and the cost estimates approved at different points of time are given in the Statement. (*See* below).

Statement]

I. *Funding of Capital requirement of Visakhapatnam Steel Plant*

	As on August, '91*
	(Rs. in Crores)
1. Govt. of India—Equity	3505·84
2. Govt. of India—Loan	2199·40
3. PSUS/P Financial Institution/Banks	989·00
4. Bonds	300·00
5. Supplier/Buyers Credits	407·35
	7401·59